



NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

April 28, 2010

Ms. Kimberly Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: NERC Notice of Penalty regarding Tri-State Generation and Transmission  
Association, Inc. - Marketing  
FERC Docket No. NP10-\_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty<sup>1</sup> regarding Tri-State Generation and Transmission Association, Inc. - Marketing (TSMD),<sup>2</sup> NERC Registry ID NCR05432,<sup>3</sup> in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).<sup>4</sup>

On July 7, 2009, TSMD self-reported a violation of IRO-STD-006-0 WR1 to the Western Electricity Coordinating Council (WECC) because it initiated a Restricted Transaction without compensating for the full impact of that transaction during an unscheduled flow (USF) event that took place on June 23, 2009. This Notice of Penalty is being filed with the Commission because

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<sup>1</sup> *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), III FERC Stats. & Regs. ¶ 31,204 (2006); Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the North American Electric Reliability Corporation, Docket No. RM05-30-000 (February 7, 2008). See also 18 C.F.R. Part 39 (2010). Mandatory Reliability Standards for the Bulk-Power System, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693), reh'g denied, 120 FERC ¶ 61,053 (2007) (Order No. 693-A).

<sup>2</sup> Also concurrently being filed is a Notice of Penalty designated as NOC-376 regarding a separate Settlement Agreement between the Western Electricity Coordinating Council and Tri-State Generation and Transmission Association, Inc. – Marketing regarding TSMD's violation of VAR-002-1 R3. On October 14, 2009, NERC submitted an Omnibus filing which addressed violations for certain registered entities including TSMD. Three of the four TSMD violations included in the Omnibus filing were of IRO-STD-006-0 WR1, in which TSMD was unable to comply with requests from (Qualified) Transfer Path Operators to take actions to reduce unscheduled flow on 3 previous occasions (August 30, 2007, May 23, 2008 and June 5, 2008). Each of which was assessed a zero dollar (\$0) penalty. On November 13, 2009, FERC issued an order stating it would not engage in further review of the violations addressed in the Omnibus Notice of Penalty. The instant violation represents TSMD's fourth violation of IRO-STD-006-0 WR1.

<sup>3</sup> Western Electricity Coordinating Council confirmed that TSMD was included on the NERC Compliance Registry as a Generator Operator, Generator Owner, Load Serving Entity, Purchasing-Selling Entity and Resource Planner on June 17, 2007. As a Load Serving Entity, TSMD is subject to the requirements of Regional Reliability Standard IRO-STD-006-0.

<sup>4</sup> See 18 C.F.R. § 39.7(c)(2).

TSMD does not dispute the violation of IRO-STD-006-0 WR1 and the proposed zero dollar (\$0) financial penalty to be assessed to TSMD. Accordingly, the violation identified as NERC Violation Tracking Identification Number WECC200901754 is a Confirmed Violation, as that term is defined in the NERC Rules of Procedure and the CMEP.

### Statement of Findings Underlying the Violation

This Notice of Penalty incorporates the findings and justifications set forth in the Notice of Confirmed Violation and Proposed Penalty or Sanction (NOCV) issued on January 4, 2010, by WECC. The details of the findings and basis for the penalty are set forth herein. This Notice of Penalty filing contains the basis for approval of this Notice of Penalty by the NERC Board of Trustees Compliance Committee (BOTCC). In accordance with Section 39.7 of the Commission's Regulations, 18 C.F.R. § 39.7 (2007), NERC provides the following summary table identifying the Reliability Standard at issue in this Notice of Penalty.

Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req.	VRF	Total Penalty (\$)
WECC	Tri-State Generation and Transmission Association, Inc. - Marketing	NOC-460	WECC200901754	IRO-STD-006-0	WR1	N/A	0

### IRO-STD-006-0

The purpose of Reliability Standard IRO-STD-006-0 is to mitigate transmission overloads due to unscheduled line flow on Qualified Paths.

IRO-STD-006-0 WR1 requires Load Serving Entities, such as TSMD, to specify that members comply with requests from (Qualified) Transfer Path Operators to take actions that will reduce USF on the Qualified Path in accordance with the table titled "WECC Unscheduled Flow Procedure Summary of Curtailment Actions," which is located in Attachment 1 of WECC's Unscheduled Flow Mitigation Plan. IRO-STD-006-0 WR1 does not have a Violation Risk Factor (VRF).

On June 23, 2009, at 1526 PPT, the Qualified Path Operator for Path 66 issued a USF Procedure at Step 4, effective at 1600 PPT. The Qualified Path Operator continued the USF Procedure Step 4 for the 1700 PPT hour. TSMD initiated a transaction beginning at 1700 PPT during the USF event with a Transfer Distribution Factor (TDF) greater than 5%<sup>5</sup> and did not take action to compensate for the full impact of this transaction on the Qualified Path. Thus, TSMD initiated a Restricted Transaction.

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<sup>5</sup> After the USF Event is declared, a transaction with greater than a 5% Transfer Distribution Factor (TDF) on the Qualified Path in the qualified direction will be considered a "Restricted Transaction." Changes to Restricted Transactions, other than the specific curtailments used to comply with relief obligations, cannot be made unless some alternative action is taken to compensate for the full impact on the Qualified Path.

During the USF event, an unscheduled ramp up of a large generator unit required TSMD's Market Execution 24x7 desk to initiate the Restricted Transaction to re-balance load and generation between scheduling hubs. The action taken adversely impacted the path and required curtailment. TSMD had new employees on shift that were not experienced on the impact of this schedule on the overloaded path, and had not previously experienced curtailment response to a USF event.

On December 9, 2009, a WECC subject matter expert (SME) reviewed TSMD's Self-Report and the details of the USF event. The SME determined that the Qualified Path Operator for Path 66 issued a USF Procedure at Step 4 on June 23, 2009 at 1526 PPT, effective at 1600 PPT. At 1620 PPT; the Qualified Path Operator declared the Step 4 Procedure would continue for the 1700 PPT hour.

The SME used the webSAS tool to determine that TSMD generated a transaction tagged WACM\_TSPMTS23JN350\_WACM after the Qualified Path Operator issued the USF Step 4 Procedure. TSMD's transaction had a 14% TDF, contributing 16.4 MW to the Qualified Path. To compensate for the impact of this transaction, TSMD curtailed a 95 MW tag to zero, providing approximately 7 MW of relief, and at 5 minutes past the top of the hour TSMD conducted an emergency curtailment of a 117 MW schedule to zero. This action provided approximately 15 MW of relief, which was approximately 2 MW less than the relief the Path Operator required TSMD to provide. The SME determined TSMD curtailed this tag to zero at 1705 PPT, leaving a net 1.54 MW<sup>6</sup> impact to the Qualified Path from this transaction. Thus, the SME determined that TSMD's initiation of a Restricted Transaction without full compensation was a possible violation of IROSTD-006 WR1.

WECC Enforcement (Enforcement) reviewed TSMD's report and the findings of its SME and determined that TSMD had a confirmed violation because it initiated a Restricted Transaction during a USF event without taking action to compensate for the full impact of this transaction on the Qualified Path and specifically because, for the hour-ending at 1700 PPT, TSMD contributed 1.54 MW to a Qualified Path during a USF event. Thus, Enforcement confirmed that TSMD had a violation of IRO-STD-006 WR1.

NERC's Enforcement Department determined the duration of the subject violation was from June 23, 2009, when TSMD failed to provide the required relief amount, until July 15, 2009, when TSMD completed its Mitigation Plan.

Violations of this Regional Reliability Standard generally have diminished, in part, due to better communication tools (primarily more entities utilizing better software (*e.g.*, webSAS)). USF occurs in the Western Interconnection because of concentrated load centers (mainly on the West Coast), remote generation resources (many on the Eastern side of WECC) and long transmission lines in between. The WECC high voltage transmission lines form a circle ("O") in the Interconnection, which results in the electricity from the generation resources dividing, with some small percentage flowing around the opposite side of the "O" to reach the load centers (this

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<sup>6</sup> The calculation of 1.54 MW assumes 14% of the value of a linear ramp schedule from zero at 1650 PPT to 87.75 MW at 1705 PPT and an immediate curtailment to zero at 1705 PPT.

is the USF). USF can occur at any time depending on the amount of power being generated and used in the load centers. Certain actions are taken to control and absorb the USF (*e.g.*, adjusting phase shifting transformers, accommodation, *etc.*) but ultimately an entity may have to reduce schedules, thereby reducing the amount of power flowing (thereby reducing the amount of unscheduled flow). While an entity may be taking action to address this, an entity may not take enough action to reduce schedules each time an unscheduled flow event occurs, which results in a violation.

WECC determined that, although this was the fourth alleged violation of IRO-STD-006 WR1 by TSMD, the violation differed from TSMD's prior alleged violations and thus did not constitute a repeated violation. TSMD's prior violations, which were resolved in the Omnibus filing, each occurred due to TSMD's failure to provide the amount of relief requested during a USF event, whereas this alleged violation stemmed from TSMD's initiation of a Restricted Transaction during a USF event.

Further, WECC determined that the violation did not create a serious or substantial risk to the bulk power system (BPS) because actual impact to the BPS is dependent on how much an entity contributes to flow on a potentially overloaded path (and what other resources the path operator has available to mitigate potential overloads of the transmission system) and, in this instance, TSMD contributed less than .01% of the Path Rating.

#### WECC's Determination of Penalty

For penalty determination purposes, IRO-STD-006-0 WR1 states that sanctions for non-compliance are to be addressed pursuant to the table contained within the Regional Reliability Standard. The Sanction Table considers the number of occurrences in a specified period and the level of non-compliance. This was the only occurrence of noncompliance within the specified period. WECC SMEs determined that the Level of Non-Compliance for this violation was Level 1 because the Path Rating for Path 66 was 4,800 MW and TSMD contributed 1.53 MW to Path 66, resulting in less than a .01% increase to Path 66. Thus, according to the Standard, the occurrence was a Level 1 non-compliance, and according to the Sanction Table in the Standard, the sanction for one occurrence of Level 1 non-compliance is the issuance of a letter A,<sup>7</sup> with no monetary penalty.

In addition, WECC considered: (1) the violation was deemed by WECC not to be a violation that put bulk power system reliability at serious or substantial risk because TSMD's failure to provide the required relief contributed less than 0.01% of the Path Rating; (2) WECC determined that this alleged violation did not constitute a repeated violation of the Standard as TSMD's non-compliance stemmed from different actions than its previous alleged violations, so there were no aggravating factors warranting a penalty higher than what the Standard's Sanction Table proposed; (3) TSMD was cooperative throughout the compliance enforcement process; (4) there was no evidence of any attempt by TSMD to conceal the violation; and (5) the violation was self-reported; and (6) there was no evidence that TSMD's violation was intentional.

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<sup>7</sup> Letter A is sent to TSMD's Chief Executive Officer informing TSMD of non-compliance, with copies of the letter provided to NERC, the WECC Member Representative and the WECC Operating Committee Representative.

Therefore, WECC determined that, in this instance, the penalty amount of zero dollars (\$0) is appropriate and bears a reasonable relation to the seriousness and duration of the IRO-STD-006-0 WR1 violation.

### **Status of Mitigation Plan<sup>8</sup>**

TSMD's Mitigation Plan to address its violation of IRO-STD-006-0 WR1 was submitted to WECC on July 16, 2009, stating that it was complete. The Mitigation Plan was accepted by WECC on December 9, 2009 and was approved by NERC on December 18, 2009. The Mitigation Plan is designated as MIT-08-2181 and was submitted as non-public information to FERC on December 18, 2009, in accordance with FERC orders.

The Mitigation Plan required TSMD to complete the following actions:

1. the Market Training Coordinator would conduct full time one-on-one USF training with employees who did not have the benefit of TSMD's previous targeted USF training sessions, to provide intensive instruction on how to use the webSAS tool, including (1) procuring access to OATI's webSAS demo environment where the event was recreated and response provided for possible events on all qualified paths, (2) timing of relief response requirements, and (3) the impact of balancing load and generation in TSMD's complex system during each of the 6 qualified path events which could affect scheduling in TSMD's system;
2. conduct impromptu one-on-one refresher training with each set of shift partners to discuss the importance of providing USF relief and answer specific question to USF and other training items; and
3. distribute an e-mail to reinforce the importance of compliance with the IRO-STD-006-1 Regional Reliability Standard and the criticality of mitigating transmission overloads due to USF on Qualified Transfer Paths and to remind the recipients of the availability of the refresher USF course and that all Market Execution rotating shift personnel must follow the "Emergency Hand Off for Shift Change" process to hand off shift responsibilities when a reliability event is in progress.

On July 16, 2009, TSMD certified that its Mitigation Plan was completed on July 15, 2009. As evidence of completion of its Mitigation Plan, TSMD submitted copies of communications with TSMD generating plants regarding operating procedures and copies of revised voltage schedules as evidence of its completion of its Mitigation Plan.

On December 9, 2009, after WECC's review of TSMD's submitted evidence, WECC verified that the Mitigation Plan was completed and notified TSMD on December 18, 2009 that it was in compliance with IRO-STD-006-0 WR1.

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<sup>8</sup> See 18 C.F.R. § 39.7(d)(7).

## **Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed<sup>9</sup>**

### **Basis for Determination**

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines and the Commission's July 3, 2008 Guidance Order,<sup>10</sup> the NERC BOTCC reviewed the NOCV and supporting documentation on March 10, 2010. The NERC BOTCC approved the assessment of a zero (\$0) financial penalty against TSMD based upon WECC's findings and determinations, the NERC BOTCC's review of the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violation at issue.

In reaching this determination, the NERC BOTCC considered the following:

1. the penalty was assessed as directed by the Regional Standard Sanction Table and with further considerations of the NERC Sanction Guidelines;
2. the violation was self-reported;
3. TSMD's non-compliance stemmed from a different action than the prior violations of this standard, so did not constitute a repeat violation of the same actions;
4. WECC reported TSMD was cooperative throughout the compliance enforcement process;
5. There was no evidence of any attempt by TSMD to conceal the violation;
6. There was no evidence that TSMD's violation was intentional; and
7. The violation did not create a serious or substantial risk for the BPS, as discussed above.

For the foregoing reasons, the NERC BOTCC believes that the proposed zero dollar (\$0) penalty amount is appropriate for the violation and circumstances in question, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

Pursuant to Order No. 693, the penalty will be effective upon expiration of the thirty (30) day period following the filing of this Notice of Penalty with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

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<sup>9</sup> See 18 C.F.R. § 39.7(d)(4).

<sup>10</sup> *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008).



### **Attachments Included as Part of the Notice of Penalty**

The attachments included as part of this Notice of Penalty are the following documents and material:

- a) TSMD's Self-Report dated July 16, 2009, included as Attachment a;
- b) TSMD's Response to the Notice of Alleged Violation and Proposed Penalty or Sanction dated December 21, 2009, included as Attachment b;
- c) TSMD's Mitigation Plan designated as MIT-08-2181 for IRO-STD-006-0 WR1 submitted July 16, 2009, included as Attachment c;
- d) TSMD's Certification of Completion for IRO-STD-006-0 WR1 submitted July 16, 2009, included as Attachment d; and
- e) WECC's Verification of Completion for IRO-STD-006-0 WR1 dated December 18, 2009, included as Attachment e.

### **A Form of Notice Suitable for Publication<sup>11</sup>**

A copy of a notice suitable for publication is included in Attachment f.

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<sup>11</sup> See 18 C.F.R. § 39.7(d)(6).

## Notices and Communications

Notices and communications with respect to this filing may be addressed to the following:

<p>Gerald W. Cauley* President and Chief Executive Officer David N. Cook* Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, N.J. 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile gerry.cauley@nerc.net david.cook@nerc.net</p> <p>Christopher Luras* Manager of Compliance Enforcement Western Electricity Coordinating Council 615 Arapeen Drive, Suite 210 Salt Lake City, UT 84108-1262 (801) 883-6887 (801) 883-6894 – facsimile CLuras@wecc.biz</p> <p>Luis Zaragoza* Compliance Program Manager Tri-State Generation and Transmission Association, Inc. – Marketing P.O. Box 33695 Denver, CO 80233-0695 (303) 254-3113 (303) 254-6007 – facsimile lzaragoza@tristategt.org</p> <p>*Persons to be included on the Commission's service list are indicated with an asterisk. NERC requests waiver of the Commission's rules and regulations to permit the inclusion of more than two people on the service list.</p>	<p>Rebecca J. Michael* Assistant General Counsel Holly A. Hawkins* Attorney North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, D.C. 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net holly.hawkins@nerc.net</p> <p>Louise McCarren* Chief Executive Officer Western Electricity Coordinating Council 615 Arapeen Drive, Suite 210 Salt Lake City, UT 84108-1262 (801) 883-6868 (801) 582-3918 – facsimile Louise@wecc.biz</p> <p>Constance White* Vice President of Compliance Western Electricity Coordinating Council 615 Arapeen Drive, Suite 210 Salt Lake City, UT 84108-1262 (801) 883-6885 (801) 883-6894 – facsimile CWhite@wecc.biz</p> <p>Steven Goodwill* Associate General Counsel Western Electricity Coordinating Council 615 Arapeen Drive, Suite 210 Salt Lake City, UT 84108-1262 (801) 883-6857 (801) 883-6894 – facsimile SGoodwill@wecc.biz</p>
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## Conclusion

NERC respectfully requests that the Commission accept this Notice of Penalty as compliant with its rules, regulations and orders.

Respectfully submitted,

/s/ Rebecca J. Michael

Rebecca J. Michael  
Assistant General Counsel  
Holly A. Hawkins  
Attorney  
North American Electric Reliability  
Corporation  
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david.cook@nerc.net

cc: Tri-State Generation and Transmission Association, Inc. - Marketing  
Western Electricity Coordinating Council

Attachments

## **Attachment a**

**TSMD's Self-Report dated July 16, 2009**



## Self-Reporting Form

Date Submitted by Registered Entity: 07/07/09

NERC Registry ID: TSPM

Joint Registration Organization (JRO) ID: TSGT

Registered Entity: Tri-State G&T Assn., Inc., - Merchant

Registered Entity Contact: Janelle Marriott

### Function(s) Applicable to Self-Report:

- |                              |                              |                              |                              |                              |   |
|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---|
| <input type="checkbox"/> BA  | <input type="checkbox"/> TOP | <input type="checkbox"/> TO  | <input type="checkbox"/> GO  | <input type="checkbox"/> GOP | <input checked="" type="checkbox"/> LSE |
| <input type="checkbox"/> DP  | <input type="checkbox"/> PSE | <input type="checkbox"/> TSP | <input type="checkbox"/> PA  | <input type="checkbox"/> RP  | <input type="checkbox"/> TP             |
| <input type="checkbox"/> RSG | <input type="checkbox"/> RC  | <input type="checkbox"/> IA  | <input type="checkbox"/> RRO |                              |   |

Standard: IRO-STD-006-0

Requirement: WR1

Has this violation previously been reported or discovered: ☐ Yes ☒ No

If Yes selected: Provide NERC Violation ID (if known):

Date violation occurred: 06/23/2009

Date violation discovered: 06/24/2009

Is the violation still occurring? ☐ Yes ☒ No

**Detailed explanation and cause of violation:** During a step 3 USF event, an unscheduled ramp up of a large generator unit required Market Execution 24x7 desk to re-balance load and generation between scheduling hubs. The action taken adversely impacted the path and required curtailment. The new employees on shift were not experienced on the impact of this schedule on the overloaded path, and had not previously experienced curtailment response to a USF event. When the negative impact of this schedule was viewed in webSAS, they emergency-curtailed a 95mw tag to zero for the current hour providing approx 7MW relief, though left a 117MW schedule on the path for the upcoming scheduling hour. Additionally, they took alternative action to start a combustion turbine unit and schedule its' output counterflow to the path; however this schedule crosses the Waterflow phase shifter in service resulting in an exempt transaction. At 5 minutes past the top of the hour they emergency-curtailed the 117MW schedule to zero providing approx 15MW relief, approx 2MW less than relief required.



Western Electricity Coordinating Council

**Potential Impact to the Bulk Power System (minimal, moderate, or severe): Minimal**

**Detailed explanation of Potential Impact:** The actions taken provided relief prior to the step 4 and five minutes into the relief required hour integrating to an approx 2mw non-compliant response.

**Additional Comments:**

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***NOTE:** While submittal of a mitigation plan is not required until after a determination of a violation is confirmed, early submittal of a mitigation plan to address and remedy an identified deficiency is encouraged. Submittal of a mitigation plan shall not be deemed an admission of a violation. (See NERC Rules of Procedure, Appendix 4C, Section 6.4.)*

## **Attachment b**

### **TSMD's Response to the Notice of Alleged Violation and Proposed Penalty or Sanction dated December 21, 2009**



**TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.**

1100 W. 116TH AVENUE • P.O. BOX 33695 • DENVER, COLORADO 80233 • 303-452-6111

December 21, 2009

Constance B. White  
Vice President of Compliance  
Western Electricity Coordinating Council  
615 Arapeen Drive, Suite 210  
Salt Lake City, UT 84108

Dear Ms. White:

Tri-State Generation and Transmission Association – Marketing (TSMD) has reviewed the Notice of Alleged Violation (WECC200901754 and TSMD\_WECC20091945) and Proposed Sanction issued on December 18, 2009 for NERC Reliability Standard IRO-STD-006-0 Requirement WR1 as a result of TSMD's self-report on July 7, 2009. In accordance with Section 5.2 of the Compliance Monitoring and Enforcement Program (CMEP), TSMD has accepted WECC's determination of violation and its proposed sanction per a letter to Ken Anderson, Executive Vice President/General Manager, TSMD, informing him of Marketing's noncompliance, with copies of such letter to NERC, a WECC Member Representative, and a WECC Operating Committee Representative.

TSMD has completed the mitigation plan on July 15, 2009. Attached please find the Certification of Mitigation Plan Completion Form.

Tri-State Generation & Transmission Association, Inc. has a solid and rigorous internal compliance program which is supported by management at all levels with dedicated resources. TSMD is committed to the continuous improvement in system reliability and ongoing personnel training.

Sincerely,

Sherryl Caikowski  
Senior Vice President, Corporate Services & Chief Compliance Officer



## **Attachment c**

**TSMD's Mitigation Plan designated as MIT-08-2181 for IRO-STD-006-0 WR1 submitted July 16, 2009**



## Mitigation Plan Submittal Form

New ☒ or Revised ☐

Date this Mitigation Plan is being submitted: 07/16/2009

If this Mitigation Plan has already been completed:

- Check this box ☒ and
- Provide the Date of Completion of the Mitigation Plan: 07/15/2009

### Section A: Compliance Notices & Mitigation Plan Requirements

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Appendix A - Compliance Notices & Mitigation Plan Requirements" to this form. **Review Appendix A and check this box ☒ to indicate that you have reviewed and understand the information provided therein.** This Submittal Form and the Mitigation Plan submitted herein are incomplete and cannot be accepted unless the box is checked.

### Section B: Registered Entity Information

- B.1 Identify your organization:

Registered Entity Name: Tri-State G&T Assn, Inc. Merchant  
Registered Entity Address: 1100 W 116<sup>th</sup> Ave Westminster, CO 80234  
NERC Compliance Registry ID: NCR05432

- B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan. Please see Section 6.2 of the WECC Compliance Monitoring and Enforcement Program (CMEP) for a description of the qualifications required of the Entity Contact.<sup>1</sup>

Name: Janelle Marriott  
Title: Market Training, Regulatory And Compliance Coordinator  
Email: jmarriott@tristategt.org  
Phone: 303-254-3507

<sup>1</sup> A copy of the WECC CMEP is posted on WECC's website at <http://www.wecc.biz/documents/library/compliance/manuals/Att%20A%20-%20WECC%20CMEP.pdf>. Registered Entities are responsible for following all applicable WECC CMEP procedures. WECC strongly recommends that registered entities become familiar with the WECC CMEP and its requirements, as they may be amended from time to time.



### **Section C: Identity of Alleged or Confirmed Reliability Standard Violations Associated with this Mitigation Plan**

This Mitigation Plan is associated with the alleged or confirmed violation(s) of the reliability standard/requirements listed below:

C.1 Standard: IRO-STD-006-0  
[Identify by Standard Acronym (e.g. FAC-001-1)]

C.2 Requirement(s) violated and violation dates:  
[Enter information in the following Table]

NERC Violation ID # [if known]	WECC Violation ID # [if known ]	Requirement Violated (e.g. R3)	Violation Risk Factor	Alleged or confirmed Violation Date <sup>(*)</sup> (MM/DD/YY)	Method of Detection (e.g. audit, self-report, investigation)
		WR1	Medium	06/23/09	Self Report

(\*) Note: The Alleged or Confirmed Violation Date shall be: (i) the date the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date upon which WECC has deemed the violation to have occurred. Please contact WECC if you have questions regarding which date to use .

C.3 Identify the cause of the alleged or confirmed violation(s) identified above:

During a step 3 USF event, an unscheduled ramp up of a large generator unit required Tri-State Marketing Department (TSMD) 24x7 desk to re-balance load and generation between scheduling hubs. The action taken adversely impacted the path and required curtailment. The new employees on shift were not experienced on the impact of this schedule on the overloaded path, and had not previously experienced curtailment response to a USF event. When the negative impact of this schedule was viewed in webSAS, they emergency-curtailed a 95mw tag to zero for the current hour providing approx 7MW relief, though left a 117MW schedule on the path for the upcoming scheduling hour. Additionally, they took alternative action to start a combustion turbine unit and schedule its' output counterflow to the path; however this schedule crosses the





Waterflow phase shifter in service resulting in an exempt transaction. At 5 minutes past the top of the hour they emergency-curtailed the 117MW schedule to zero providing approx 15MW relief, approx 2MW less than relief required. [Provide your response here; additional detailed information may be provided as an attachment as necessary]

- C.4 **[Optional]** Provide any relevant additional information regarding the alleged or confirmed violations associated with this Mitigation Plan:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

## **Section D: Details of Proposed Mitigation Plan**

### **Mitigation Plan Contents**

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violations identified above in Part C.2 of this form:

June 29-July 1, 2009 (as soon as could be scheduled after investigation of the event), the Market Training Coordinator conducted full time, one-on-one unscheduled flow training with these new employees who had not had the benefit of our previous targeted Unscheduled Flow training sessions, to provide intensive instruction on how to use the webSAS tool, including procuring access to OATI's webSAS demo environment where this event was recreated and response provided for possible events on all qualified paths, timing of relief response requirements, and the impact of balancing load and generation in Tri-State's complex system during each of the 6 qualified path events which could affect scheduling in Tri-State's system.

July 2-10, 2009, impromptu one-on-one refresher training was held with each set of shift partners to discuss the importance of providing unscheduled flow relief, and answer specific question to USF and other training items.

July 15, 2009, Market Training, Regulatory and Compliance Coordinator, sent a departmental E-mail to reenforce the imperativeness of compliance with the IRO-006-WECC-1 Standard and the criticality of mitigation of transmission overloads due to unscheduled flow on Qualified Transfer Paths. The direct



Western Electricity Coordinating Council



communication also reminds the recipients the availability of the refresher unscheduled flow course and that all Market Execution rotating shift personnel must follow the "Emergency Hand Off for Shift Change" process to hand off shift responsibilities when a reliability event is in progress. [Provide your response here; additional detailed information may be provided as an attachment as necessary]

**Check this box ☒ and proceed to Section E of this form if this Mitigation Plan, as set forth in Part D.1, has already been completed; otherwise respond to Part D.2, D.3 and, optionally, Part D.4, below.**

### **Mitigation Plan Timeline and Milestones**

D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the alleged or confirmed violations associated with this Mitigation Plan corrected:

D.3 Enter Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	Proposed Completion Date* (milestones cannot be more than 3 months apart)

(\*) Note: Implementation milestones should be no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. As set forth in CMEP section 6.6, adverse consequences could result from failure to complete, on a timely basis, all required actions in this Mitigation Plan, including implementation of milestones. A request for an extension of the completion date of any milestone or of the Mitigation Plan must be received by WECC at least five (5) business days before the relevant milestone or completion date.

[Note: Provide your response here; additional detailed information may be provided as an attachment as necessary]

### **Additional Relevant Information (Optional)**

D.4 If you have any relevant additional information that you wish to include regarding the Mitigation Plan, milestones, milestones dates and completion date proposed above you may include it here:



[Provide your response here; additional detailed information may be provided as an attachment as necessary]





## **Section E: Interim and Future Reliability Risk**

***Check this box ☒ and proceed and respond to Part E.2, below, if this Mitigation Plan, as set forth in Part D.1, has already been completed.***

### **Abatement of Interim BPS Reliability Risk**

- E.1 While your organization is implementing the Mitigation Plan proposed in Part D of this form, the reliability of the Bulk Power System may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are known, reasonably suspected or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

### **Prevention of Future BPS Reliability Risk**

- E.2 Describe how successful completion of the Mitigation Plan as laid out in Part D of this form will prevent or minimize the probability that your organization will incur further violations of the same or similar reliability standards requirements in the future:

Ken Anderson, General Manager, has spoken with all personnel that we are mandated to comply with all applicable reliability standards.

As soon as the incident was discovered, we have taken aggressive and timely corrective actions to train the shift personnel one-on-one until the personnel have demonstrated knowledge of the requirements and understanding of timely response to curtailment. The compliance message was further reinforced via e-mail direct communication.  
[Provide your response here; additional detailed information may be provided as an attachment as necessary]

- E.3 Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Part D.1, to prevent or



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minimize the probability of incurring further violations of the same or similar standards requirements listed in Part C.2, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

Unscheduled Flow Course and Reliability Compliance will be an integral part of new staff orientation for Market Execution rotating shift personnel.

Refresher courses will be provided before the peak "unscheduled flow" season and during the season.  
[Provide your response here; additional detailed information may be provided as an attachment as necessary]



## Section F: Authorization

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits the Mitigation Plan, as laid out in Section D of this form, to WECC for acceptance by WECC and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
  1. I am [Ken Anderson] of [Tri-State Generation and Transmission Association].
  2. I am an officer, employee, attorney or other person authorized to sign this Mitigation Plan on behalf of [Tri-State G&T Assn, Inc. Merchant].
  3. I understand [Tri-State G&T Assn, Inc. Merchant's] obligations to comply with Mitigation Plan requirements and WECC or ERO remedial action directives and I have reviewed the WECC and ERO documents related to these obligations, including, but not limited to, the WECC CMEP and the NERC Rules of Procedure.
  4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
  5. [Tri-State G&T Assn, Inc. Merchant] agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by WECC and approved by NERC.

**Authorized Signature:**

*Sherryl Caikowski*  
(Electronic signatures are acceptable; see CMEP Section 3.0)

Name (Print): Ken Anderson

Title: Executive Vice President and General Manager

Date: July 16, 2009

Signed by: Sherryl Caikowski, Chief Compliance Officer, on behalf of Ken Anderson





## **Section G: Comments and Additional Information**

You may use this area to provide comments or any additional relevant information not previously addressed in this form.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

## **Section H: WECC Contact and Instructions for Submission**

Please direct any questions regarding completion of this form to:

Mike Wells, Sr. Compliance Engineer

Email: [mike@wecc.biz](mailto:mike@wecc.biz)

Phone: (801) 883-6884

For guidance on submitting this form, please refer to the "*WECC Compliance Data Submittal Policy*". This policy can be found on the Compliance Manuals website as Manual 2.12:

<http://www.wecc.biz/wrap.php?file=/wrap/Compliance/manuals.html>

## **Attachment d**

**TSMD's Certification of Completion for IRO-  
STD-006-0 WR1 submitted July 16, 2009**



**Non-Public and CONFIDENTIAL**

## **Certification of Mitigation Plan Completion Form**

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for Western Electricity Coordinating Council (WECC) to verify completion of the Mitigation Plan. WECC may request additional data or information and conduct follow-up assessments, on-site or other Spot Checking, or Compliance Audits as it deems necessary to verify that all required actions in the Mitigation Plan have been completed and the Registered Entity is in compliance with the subject Reliability Standard. (CMEP Section 6.6)

**Registered Entity: Tri-State Generation and Transmission Assn., Inc.**

**NERC Registry ID: NCR05432**

**Date of Submittal of Certification: 07/07/09**

**NERC Violation ID No(s) (if known):**

**Standard: IRO-STD-006-0**

**Requirement(s): WR1**

**Date Mitigation Plan was scheduled to be completed per accepted Mitigation Plan: 07/15/09**

**Date Mitigation Plan was actually completed: 07/15/09**

**Additional Comments (or List of Documents Attached):**

I certify that the Mitigation Plan for the above named violation has been completed on the date shown above and that all submitted information is complete and correct to the best of my knowledge.

**Name: Janelle Marriott**

**Title: Market Training, Regulatory & Compliance Coordinator**

**Email: jmarriott@tristategt.org**

**Phone: 303-254-3507**

**Authorized Signature:**

*Sherryl Calkins on behalf of Ken Anderson*

WECC CMEP - Certification of Mitigation Plan Completion Form

Dated: May 20, 2009, Version 1



## **Attachment e**

### **WECC's Verification of Completion for IRO- STD-006-0 WR1 dated December 18, 2009**

**CONFIDENTIAL**



*Western Electricity Coordinating Council*

Laura Scholl  
Managing Director of Compliance

801-819-7619  
[lscholl@wecc.biz](mailto:lscholl@wecc.biz)

VIA COMPLIANCE WEB PORTAL

December 18, 2009

Anna Wang  
Reliability Compliance Specialist  
Tri-State Generation and Transmission Association, Inc. - Marketing  
P.O. Box 33695  
Denver, CO 80233-0695

NERC Registration ID: NCR05432

Subject: Certification of Completion Response Letter

Dear Anna,

The Western Electricity Coordinating Council (WECC) received the Certification of Completion and supporting evidence of Tri-State Generation and Transmission Association, Inc. - Marketing (TSMD) on 7/16/2009 for the alleged violation of Reliability Standard IRO-STD-006-0 Requirement WR1.

WECC has accepted the Certification of Completion for Requirement WR1 of the Reliability Standard IRO-STD-006-0 and has found this requirement to be fully mitigated. No further mitigation of these requirements will be required at this time.

If you have any questions or concerns, please contact Mike Wells at [mike@wecc.biz](mailto:mike@wecc.biz). Thank you for your assistance in this effort.

Sincerely,

Laura Scholl  
Managing Director of Compliance

LS:rh

cc: Janelle Marriott, TSMD Market Training, Regulatory & Compliance Coordinator  
Lisa Milanese, WECC Manager of Compliance Program Administration  
Mike Wells, WECC Senior Compliance Engineer

**Attachment f**

**Notice of Filing**

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Tri-State Generation and Transmission  
Association, Inc. - Marketing

Docket No. NP10-\_\_\_\_-000

NOTICE OF FILING  
April 28, 2010

Take notice that on April 28, 2010, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Tri-State Generation and Transmission Association, Inc. - Marketing in the Western Electricity Coordinating Council region.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211, 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, D.C. There is an "eSubscription" link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov), or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: [BLANK]

Kimberly D. Bose,  
Secretary